

**AGENDA FOR THE
REGULAR COUNCIL MEETING OF
MONDAY, JULY 24, 2006 AT 2:00 P.M.
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

ITEM-1: ROLL CALL.

ITEM-10: INVOCATION.

ITEM-20: PLEDGE OF ALLEGIANCE.

NON-AGENDA PUBLIC COMMENT

Non-agenda public comment is taken on Tuesday pursuant to the San Diego Municipal Code Section 22.0101.5.

**MAYOR, COUNCIL, INDEPENDENT BUDGET ANALYST, CITY ATTORNEY
COMMENT**

REQUESTS FOR CONTINUANCE

The Council will now consider requests to continue specific items.

=== LEGISLATIVE SCHEDULE ===

Adoption Agenda, Discussion, Other Legislative Items

ITEM-200: Awarding of Contract for Furnishing Various Gasoline and Diesel Fuels.
STAFF'S RECOMMENDATION: Adopt the resolution.

Noticed Hearings, Discussion

ITEM-201: Miramar Trunk Sewer. (University Community Plan Area. District 1.)

Matter of the appeal by City of San Diego Metropolitan Wastewater Department of the Planning Commission decision to replace and upgrade 5,456 linear feet of sewer main from 15-inch to 21-inch using the pipe bursting installation method within Rose Canyon approximately a quarter mile south of Nobel Drive, and three quarters of a mile north of Governor Drive.

STAFF'S RECOMMENDATION: Adopt the resolution in Subitem A to grant the appeal and overturn the decision of the Planning Commission and to grant the permit; and adopt the resolution in Subitem B.

CLOSED SESSION NOTICES, DISCLOSURE, AND PUBLIC COMMENT

In accordance with the San Diego City Council Permanent Rule for Noticing and Conduct of Closed Session Meeting, adopted on February 28, 2005, this portion of the agenda is reserved for City Attorney comment, public comment, and City Council discussion of the content of the Closed Session Agenda. Public testimony on Closed Session items is taken in Open Session on Monday's, except when there is no Monday meeting. Public testimony on Closed Session items is always taken prior to the actual Closed Session. Closed Session may take place any time after public testimony, but is typically held on Tuesdays at 9:00 a.m. The Closed Session Agenda is separately available in the Office of the City Clerk and also posted at the same locations as the Open Session Agenda, including the City internet address.

NOTE: Members of the public wishing to address the City Council on any item on the Closed Session Agenda should reference the closed session item number from the Closed Session Docket on the speaker slip. Speakers may speak "in favor" or "in opposition" to the subject.

Information Item - No Action Required - The City Council shall:

1) Consider any oral report from the City Attorney or City negotiators; 2) Accept testimony from any member of the public wishing to address the City Council on any item appearing on the Closed Session Agenda; 3) Questions and discussion by Council Members, limited to the facts as disclosed by the City Attorney or City negotiators and the basis or justification for consideration of the matter in closed session 4) Refer matters discussed to closed session.

=== LEGISLATIVE SCHEDULE (Continued) ===

Public Notices

- ITEM-250: Submission of Ballot Proposals
- ITEM-251: Arguments Supporting or Opposing Propositions
- ITEM-252: **Notice** of Pending Final Map Approval - Esperanza.

Non-Docket Items

Adjournment in Honor of Appropriate Parties

Adjournment

=== EXPANDED CITY COUNCIL AGENDA ===

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS

RESOLUTIONS:

ITEM-200: Awarding of Contract for Furnishing Various Gasoline and Diesel Fuels.

(See Report to the City Council No. 06-097.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-54)

Awarding the contract to the low bidder meeting specifications, The SoCo Group, Carlsbad, California (Contractor), to provide various gasoline and diesel fuels, as may be required for a period of one year from the date of award for an estimated annual cost of \$11,541,599 (including sales tax), terms net thirty days; with option to renew the contract for four additional one-year periods; with freight price escalations not to exceed ten percent of freight prices in effect at the end of each prior contract year, per Request for Proposal No. 7325-05-Z-RFP;

Authorizing the Mayor to award the contract to the next low bidder meeting specifications, in the event the Contractor fails to perform in accordance with the contract specifications;

Authorizing the estimated remaining expenditure of \$1,331,722 for Fiscal Year 2006, of which \$307,367 is from Fund 100, Department 110, Police Department; \$159,133 is from Fund 100, Department 120, Fire Department; \$3,788 is from Fund 41500, Department 760, Water Department; and \$861,434 is from Fund 50030, Department 820, Equipment Division of General Services, solely and exclusively, for providing funds for said contract;

Authorizing the City Auditor and Comptroller, upon advice from the administering department, to transfer excess budgeted funds, if any, to the appropriate reserves.

STAFF SUPPORTING INFORMATION:

Due to the constant rise in fuel prices, the City of San Diego led the effort to seek additional potential price discounts based on an economy of scale and also assist other public agencies, by issuing Request for Proposal Number 7325-05-Z-RFP as a cooperative procurement initiative, which included the City of San Diego and thirty-one (31) other various public agencies throughout the County of San Diego as listed in the Report to City Council.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

RESOLUTIONS: (Continued)

ITEM-200: (Continued)

STAFF SUPPORTING INFORMATION: (Continued)

In order to solicit the most possibly advanced, cost-effective fuel price solution for the City, a general price parameter with no specific price structure was stipulated.

Technical proposals were evaluated separately from price proposals, and a ranking was established by a technical committee based upon technical merit. As a result, The SoCo Group offered the highest ranked technical proposal. Price proposals were evaluated separately from technical proposals, and a ranking was established based upon fuel price data between January 1, 2004 and December 31, 2004. A one percent (1%) sales tax refund to the City of San Diego was included in the price evaluation for the Proposer located in the City of San Diego. As a result, The SoCo Group offered the lowest price proposal.

Specifically, The SoCo Group proposed to evaluate the lowest price structure for fuel products for the City based on two (2) different published indices; the West Coast Spot Market price, which represents the price of fuel prior to shipping to the San Diego fuel terminal, and the San Diego Unbranded Rack which represents the price for unbranded fuel available at the San Diego terminal. A management fee will be added to the lowest fuel price. In light of the higher fuel prices, The SoCo Group has proposed a new tiered management fee structure that lowers the fee charged to agencies if fuel costs rise. The total estimated annual savings to the City based upon this reduced management fee would be \$47,720.

As an incentive for all agencies to participate and utilize this proposal, The SoCo Group proposed a rebate program based on the overall volume purchased by the listed agencies. Assuming the City of San Diego purchases an estimated annual total of 5,100,000 gallons of fuel from the new proposal from The Soco Group, the rebate calculation would be \$7,650. With the anticipated annual management fee savings of \$47,720 and the anticipated rebate savings of \$7,650, the total anticipated savings to the City over a one (1) year period would be approximately \$55,370.

All participating agencies are responsible for finalizing and issuing their own contract award and the City of San Diego will bear no financial responsibility for these awards.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

RESOLUTIONS: (Continued)

ITEM-200: (Continued)

STAFF SUPPORTING INFORMATION: (Continued)

FISCAL CONSIDERATIONS:

Authorize the estimated remaining expenditure of \$1,331,722 for Fiscal Year 2006, of which \$307,367 is from Fund 100, Department 110, Police Department, \$159,133 is from Fund 100, Department 120, Fire Department, \$3,788 is from Fund 41500, Department 760, Water Department, and \$861,434 is from Fund 50030, Department 820, Equipment Division of General Services, is hereby authorized solely and exclusively for providing funds for said contract, provided the City Auditor and Comptroller, upon advice from the administering Department, is hereby authorized to transfer excess budgeted funds, if any, to the appropriate reserves.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

City Council Resolution Number R-295206 was adopted on July 24, 2001, for award of a contract to The SoCo Group for furnishing gasoline and diesel fuel for a period of one (1) year beginning August 1, 2001 through July 31, 2002, with options to renew the contract for four (4) additional one (1) year periods. This contract is currently being extended on a month-to-month basis pending award of a new contract.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Fifty-one (51) potential proposers were contacted, ranging from small business to fuel distributors and large oil companies. The request for proposal was advertised in the San Diego Daily Transcript and posted in the City of San Diego's official internet site.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Equipment Division of General Services, Fire Department, Police Department, and The SoCo Group.

Rimes/Reynold

Aud. Cert. 2600956.

Staff: Tammy Rimes - (619) 236-5921
Michael Calabrese - Deputy City Attorney

ADOPTION AGENDA, DISCUSSION, HEARINGS

NOTICED HEARINGS:

ITEM-201: Miramar Trunk Sewer.

Matter of the appeal by City of San Diego Metropolitan Wastewater Department of the Planning Commission decision to replace and upgrade 5,456 linear feet of sewer main from 15-inch to 21-inch using the pipe bursting installation method within Rose Canyon approximately a quarter mile south of Nobel Drive, and three quarters of a mile north of Governor Drive.

(See Report No. PC-06-055, Project No. 33120, Mitigated Negative Declaration No. 33120, Site Development Permit No. 87992. University Community Plan Area. District 1.)

STAFF'S RECOMMENDATION:

Adopt the resolution in Subitem A to grant the appeal and overturn the decision of the Planning Commission and to grant the permit; and adopt the resolution in Subitem B:

Subitem-A: (R-2006-)

Adoption of a Resolution granting or denying the appeal and upholding or overturning the decision of the Planning Commission and granting or denying the Site Development Permit No. 87992, with appropriate findings to support Council action.

Subitem-B: (R-2006-)

Adoption of a Resolution certifying Mitigated Negative Declaration No. 33120 and adopt the Mitigation, Monitoring and Reporting Program (MMRP).

STAFF SUPPORTING INFORMATION:

The project (Attachment B) as originally proposed was to replace/upsized approximately 5,456 linear feet of trunk sewer from 15-inch to 21-inch within Rose Canyon south of Miramar Road, to prevent sewer spills in the future. The project would be impacting 1.09 acres of wetlands and 2.46 acres of uplands. The proposed improvement would take place in the existing trenches at the same depth as the existing 15-inch main. The project also included the construction of a new 8-foot-wide maintenance access path with 35-foot-wide turn-arounds in dead-end areas (Attachment M, Report No. PC-06-055).

ADOPTION AGENDA, DISCUSSION, HEARINGS (Continued)

NOTICED HEARINGS: (Continued)

ITEM-201: (Continued)

STAFF SUPPORTING INFORMATION: (Continued)

On April 6, 2006, the Planning Commission discussed the construction of the 8-foot wide maintenance access path and some construction alternatives for the sewer replacement/upgrade. The Commissioners considered the testimony and voted 6-1 to approve the sewer replacement/upgrade with the condition the installation method used shall be pipe bursting (Attachment J *Condition 18*). The Planning Commission also conditioned their approval on the elimination of the 8-foot wide maintenance access path with the 35-foot-wide turn-arounds (Attachment L *Item 15*). The Commissioners felt that there was no immediate urgency to providing a new access path to the existing side main manholes where there was no new proposed pipe construction on the side main.

The applicant, Metropolitan Wastewater Department (MWWD) is in agreement with the elimination of the maintenance access path and it will no longer be a part of the Miramar Trunk Sewer Project. Elimination of this access path will reduce the uplands impact by 0.75 acres and wetlands impact by 0.01 acres. Therefore, the impacts associated with the pipe trenching would be 1.71 acres uplands and 1.08 acres wetlands or a total of 2.79 acres impacted.

The applicant is appealing the decision of the Planning Commission to install the Miramar Trunk Sewer solely by pipe bursting (Attachment C) because it limits their contracting options. The applicant proposes to bid the project with the option to use either open trench or pipe bursting, and to select the low bidder. The Miramar Trunk Sewer specifications have been prepared to bid two methods of construction. The options for construction are conventional open trench, where the existing 15-inch pipe would be physically removed and replaced with the new 21-inch pipe, and pipe bursting. Pipe bursting requires somewhat smaller excavations (Attachments D and E). New manholes and lateral connections are installed afterward, using conventional construction methods. Environmental impacts under ideal installation conditions would be less using pipe bursting technology, at 0.44 acres, versus open trench replacement, at 2.79 acres.

MWWD would like to keep their contracting options open for several reasons:

1. MWWD does not have any experience in pipe bursting a project of this size. The magnitude of size increase, going from 15-inch to a 21-inch is at or near the current limit of pipe bursting technology at this time. If the contractor were to run into unforeseen site or soil conditions that make pipe bursting infeasible, the applicant might have to stop the project while they amend their permit to use another method of construction;

ADOPTION AGENDA, DISCUSSION, HEARINGS (Continued)

NOTICED HEARINGS: (Continued)

ITEM-201: (Continued)

STAFF SUPPORTING INFORMATION: (Continued)

2. MWWD would potentially be required to limit the number of pre-qualified bidders due to the pipe bursting requirement; and
3. MWWD has limited hard bid data on the cost of pipe bursting, so allowing bids against open trench will illustrate what the market rates are. MWWD does not want to limit their flexibility.

To accommodate the concerns about environmental impacts, the applicant is recommending that the project be bid with a construction component and a mitigation component and the total lowest cost will determine which construction method to use. For example, the contractor would bid the cost for construction (either open trench or pipe bursting) and then estimate the amount of land that would be impacted, multiplied by a unit cost factor that the City would provide, to calculate the mitigation cost. The total project cost would then be calculated by adding the mitigation cost to the bid to determine best value to the City. This will be more work for the contractor, but it should show the true cost of the project.

For this particular project, the estimates show that with construction and mitigation costs taken into consideration, open trench and pipe bursting are within 3% of each other, with open trenching having a slightly higher total cost. The applicant recommends the City Council allow the opportunity to bid these two methods against each other.

FISCAL CONSIDERATIONS:

The proposed project estimated construction cost using the open trench method would be approximately \$3,096,771 (Attachment F) and approximately \$3,460,278 using the pipe bursting method (Attachment G). The estimated mitigation cost for the open trench method would be an additional \$644,000 while the estimated mitigation cost for the pipe bursting method would be an additional \$165,000. The proposed project is being funded by the Metropolitan Wastewater Department Sewer Fund No. 41506, CIP-46-194.9 Miramar Road Trunk Sewer Replacement Project.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On March 14, 2006, the University Community Planning Group (UCPG) voted 13-1-0 to recommend the project be approved for upsizing but decouple side access path. The UCPG strongly recommends using the pipe bursting method (Attachment K).

ADOPTION AGENDA, DISCUSSION, HEARINGS (Continued)

NOTICED HEARINGS: (Continued)

ITEM-201: (Continued)

STAFF SUPPORTING INFORMATION: (Continued)

KEY STAKEHOLDERS & PROJECTED IMPACTS:

City of San Diego Metropolitan Wastewater Department.

Halbert/Waring/VL

LEGAL DESCRIPTION:

The project site appears on the United States Geological Survey 7.5 minute map, La Jolla quadrangle, in Township 15 South; Range 3 West.

Staff: Vena Lewis – (619) 446-5197.

NOTE: This item is not subject to Mayor's veto.

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PUBLIC NOTICES:

Items are listed under Public Notice as a matter of public record only. These items do not require Council action and there is no public testimony.

ITEM-250: SUBMISSION OF BALLOT PROPOSALS

City Council Policy 000-21 establishes the procedure for submittal of ballot proposals. The Council Policy states that members of the public shall submit proposals to the City Clerk, who shall then transmit them promptly to the Rules Committee for review and comment. The proposals must be submitted in time to allow the City Clerk to list on the Council Docket 127 days prior to the election the ballot proposals which have been referred back to Council following Rules Committee review.

Therefore, the City Clerk's Office has established the following administrative guidelines for the November 7, 2006 election:

<u>DAY</u>	<u>DATE</u>	<u>DAYS BEFORE ELECTION</u>	<u>EVENT</u>
Friday	6/16/2006	144	LAST DATE (10:00 a.m.) for public, departments, and agencies to submit ballot proposals to City Clerk for review by Rules Committee
Wednesday	6/21/2006	139	Rules Committee review of ballot proposals
Monday	6/26/2006	134	Council Docket (PUBLIC NOTICE) lists proposals referred by Rules Committee
Monday	7/10/2006	120	Council adopts propositions for ballot; directs City Attorney to prepare ordinances
Monday	7/31/2006	99	Council adopts ordinances prepared by City Attorney
Friday	8/11/2006	88	Last day for City Clerk to file with Registrar of Voters all elections material
Thursday	8/24/2006	75	Last day to file ballot arguments with City Clerk

If you have questions, please contact the Office of the City Clerk at (619) 533-4030.

PUBLIC NOTICES: (Continued)

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ITEM-251: ARGUMENTS SUPPORTING OR OPPOSING PROPOSITIONS

For propositions approved by the Council for submittal to the qualified voters of the City of San Diego at the General Municipal Election to be held on Tuesday, November 7, 2006, the City Clerk has fixed 5:00 p.m. on Thursday, August 24, 2006, as a reasonable date prior to such election after which no arguments for or against City propositions may be submitted to the Clerk.

Any argument for or against any City proposition shall not exceed 300 words in length and may be filed by the Council, or any member or members of the Council authorized by the Council, or the bona fide sponsors or proponents of the measure, or any bona fide association of citizens or individual voter, or any combination of voters and associations.

All arguments must be accompanied by a statement signed by each author that the argument is true and correct to the best of his/her knowledge and belief. (Forms for this statement are available in the Office of the City Clerk.)

An argument shall not be accepted unless accompanied by the name or names of the person or persons submitting it, or if submitted on behalf of an organization, the name of the organization and the name of at least one of its principal officers. No more than five signatures shall appear with any argument submitted. In case any argument is signed by more than five persons, the signatures of the first five shall be printed.

Arguments may be changed or withdrawn by their proponents until and including the date fixed by the City Clerk.

Arguments shall be submitted to the City Clerk at the Office of the City Clerk, 2nd Floor, City Administration Building, 202 "C" Street, San Diego, California, 92101.

PUBLIC NOTICES: (Continued)

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ITEM-252: **Notice** of Pending Final Map Approval - Esperanza.

Notice is hereby given that the City Engineer has reviewed and will approve on this day the subdivision of land shown on that certain final map entitled “Esperanza” (T.M. No. 60959/PTS No. 89694), located on the northwest corner of 62nd Street and Imperial Avenue in the Encanto Neighborhoods, Southeastern Community Plan Area in Council District 4, a copy of which is available for public viewing at the Office of the San Diego City Clerk. Specifically, the City Engineer has caused the map to be examined and has made the following findings:

- (1) The map substantially conforms to the approved tentative map, and any approved alterations thereof and any conditions of approval imposed with said tentative map.
- (2) The map complies with the provisions of the Subdivision Map Act and any local ordinances applicable at the time of approval of the tentative map.
- (3) The map is technically correct.

Said map will be finalized and recorded unless a valid appeal is filed. Interested parties will have 10 calendar days from the date of this Council hearing to appeal the above findings of the City Engineer to the City Council. A valid appeal must be filed with the City Clerk no later than 2:00 p.m., 10 calendar days from the date of this Notice stating briefly which of the above findings made by the City Engineer was improper or incorrect and the basis for that conclusion. If you have questions about the approval findings or need additional information about the map or your appeal rights, please feel free to contact Deputy City Engineer Lee Hennes at (619) 446-5291.

NON-DOCKET ITEMS

ADJOURNMENT IN HONOR OF APPROPRIATE PARTIES

ADJOURNMENT